

**State of Arizona Invitation for bid questions and replies:**

**Question:**

Page 30 section 12.12 - Please elaborate if possible on what third party agreements are in place and what the impact of a bundled or unbundled rate is. Also, are the existing reimbursement agreements based on certain transaction Interchange qualifications?

**Reply:**

Currently under the Servicing Bank contract, third party agreements exist between the Arizona State Treasury, American Express and Discover Card. The State is currently under a third party contract with IBM outside of the Banking contract.

**Question:**

Page 28 paragraph 8.4

Debit ACH Requirements:

Please describe in detail the ACH touch tone service contemplated or currently in use (types of payments, volumes, etc.)

**Reply:**

Payors have the ability to make payments to the State over the phone through an automated service. Currently, Fuel tax payments are the majority of the items processed.

**Question:**

Regarding Lock Box processing -- It appears that two of the three boxes get all output returned.

1. Does all of the data get returned to one location?
2. Does it get delivered via U.S. Mail or via a charge to the State's overnight courier account?
3. One Lock Box is on Image - Is the Bank imaging checks and enclosures?

**Reply:**

1. Each lockbox item(s) are returned to the respective agency, to one location each.
2. The lockbox items are normally returned US mail, except for the images on CD which are on delivered overnight. The State does not have an overnight courier account.
3. Both the checks and enclosures are imaged.

**Question:**

Current bank is charging for Returns "buy back". Please describe this service.

**Reply:**

Buyback is when the bank reruns a returned item a second time before it is returned to the State for processing.

**Question:**

Please explain process associated with RPO (Receipt Payment Online). Is this a business-to-business application where invoices are presented online for payment?

**Reply:**

The better term would be remote payment online. It is a business to business transaction where payments are collected.

**Question:**

Page 25 paragraph 4.5

- What is the average dollar amount of the warrants?
- Can you provide information regarding what locations/branches receive the most volume?
- Is the servicing bank providing check cashing services for state employees? If so, are these checks drawn on other local banks?
- Are any warrants drawn on a bank other than the servicing bank?

**Reply:**

Please see averages by bank type

bank type 21	average \$29,349.89
bank type 22	average \$ 830.88
bank type 23	average \$ 487.98
bank type 24	average \$ 359.26
bank type 25	average \$ 6,242.27
bank type 26	average \$ 5,971.99
bank type 28	average \$ 701.86
bank type 29	average \$ 2,776.46
bank type 30	average \$ 7,570.75
bank type 31	average \$ 1,561.21
bank type 32	average \$ 2,107.65
bank type 33	average \$ 404.43

No.

No.

No.

**Question:**

Please provide a fully disclosed current merchant services statement.

**Reply:**  
Sent 4-18-06

**Question:**

Page 28, Section 9 State Fair Banking Services:

1. Please define "patrons and participants". Are these vendors and service personnel only? Or, do we need to provide banking services to the general public, as well?
2. If we need to provide services to the general public, what types of transactions are you anticipating they will need?
3. What type(s) of facilities, besides parking and entrance credentials, are available for a temporary branch location? Is there a secured room at the Coliseum's grandstand for the bank to utilize?
4. If the bank can provide a "mobile" branch, is there a location near the grandstand where the branch can be located

**Reply:**

"Patrons and Participants" are any personnel and general public at the State Fair grounds.  
Cash withdrawals and check cashing.

Details for the next two questions will be addressed during the transition process.

**Question:**

Appendix A- Servicing Bank Consolidated Bid Form page 48-52

There are stop payments volumes < 12 months and > 12 months noted on page 48 totaling 5,256 annually. There are also 74,703 PTD Warrant Stop Payments on page 52. Is there a difference between the processing of these stops based on these line descriptions? Can we assume all are placed on the banking system and processed in the same manner?

**Reply:**

For certain bank types it is required that the stop payments file exceed one year, where as other bank types have an expiration date of six months, therefore the stop payment file is less than one year.

**Question:**

In the Worksheet for Credit Card Discount rate chart, there are two lines I want to make sure I understand correctly. I have listed them below. Any clarification would be great. Estimated % Sales, Modified bundled price.

**Reply:**

Estimated percent of sales is the level at which rates are determined for the unbundled and bundled price. The modified bundled price is the bundled price plus the banks processing transaction fee.

**Question:**

Scope of work 4.6 page 25

Can you please describe any unique processing requirements relative to your Stop Payments? Is the entire stop payment file re-sent each day? Is the file of expired stops a revoke stop payment file? Are you using cancelled issues in lieu of stops?

**Reply:**

A daily Stop payment file sent each day for the previous day's stop payments. The file is not cumulative and contains only one day worth of stop payment requests. The only exception to this process is in the case of emergencies, which we currently call to place an immediate manual stop on a warrant.

We currently send a file of all expired warrants for the month, not just expired stops. This is a benefit to help the bank identify the warrants that are no longer valid. This file could be used as an indicator to remove any stop payments based on the listing of expired warrants. However, most warrants expire after 6 months from date of issue and this may be another option to base the removal of a stop payment.

We do process cancels thru our internal processes, instead of stops, if the physical warrant is in our possession. The bank does not get involved nor is informed of the cancelled warrants. However, the stop payment process is utilized thru the bank if the physical warrant cannot be located.